

Urgent Reports Agenda

**Notice is hereby given of
an Extraordinary Council Meeting**

Tuesday 13 May 2025

9:30am

**Council Chamber
Waimate District Council
125 Queen Street
Waimate**

www.waimatedc.govt.nz

Order Of Business

Reports 3

7 General Reports 3

7.2 Late Item: Local Water Done Well Consultation Document 3

REPORTS

7 GENERAL REPORTS

7.2 LATE ITEM: LOCAL WATER DONE WELL CONSULTATION DOCUMENT

Author: Michelle Jones, Executive Support Manager

Authoriser: Stuart Duncan, Chief Executive

Attachments: 1. Draft Local Water Done Well Consultation Document [↓](#) 

PURPOSE

1. To present the draft Local Water Done Well Consultation Document for adoption and public consultation.
2. This late document was signalled in the Extraordinary Council Meeting Agenda for this meeting, which was circulated and made publically available on 8 May 2025.

RECOMMENDATION

That the Late Item: Local Water Done Well Consultation Document be received and considered as part of the Local Water Done Well Consultation Document report.



A word
from our
Mayor



Crowley
Craig Rowley
Mayor

Who should manage and make decisions about your water in the future?

New Zealand faces a grave challenge to fix its long-standing issues with the delivery of drinking water, stormwater, and wastewater services. In the Waimate District there are challenges; ensuring our rural water schemes are compliant with legislative requirements while keeping water affordable for our communities. Council has managed our services well, but now we must look to the future and find a solution for the coming decades.

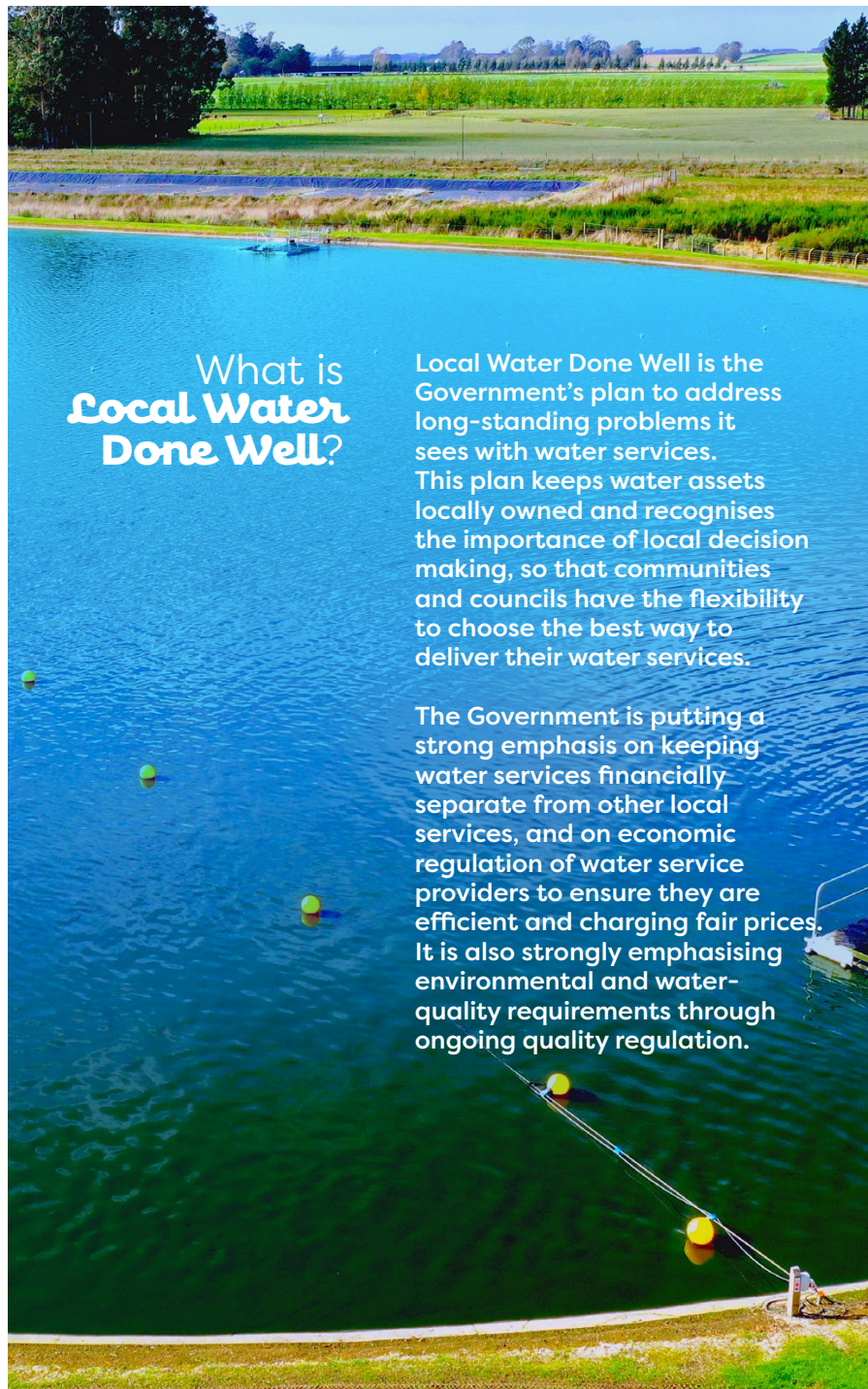
Local Water Done Well is the Government's plan to meet these challenges. The legislation brings in stronger requirements on councils to manage, fund, deliver and report on their water services.

Council looked at a number of scenarios and weighed the risks and benefits of each of them. While keeping our local issues and our community at the centre of our thinking we have shortlisted two options for water services delivery.

As we make this significant decision, we cannot make it without your input. Whatever option we choose will shape the future of our water services for generations to come. Council is proposing either an in-house delivery of water services with changes to meet new legislative requirements or a multi-council water services organisation with Mackenzie District Council and Timaru District Council.

This consultation document includes a financial assessment of both options. Waimate District has always been a champion of localism and in that spirit, Council prefers to keep our water services delivery in-house.

I understand that this is a complex issue but doing nothing is not an option anymore. The decision we make will impact every person in our district. I encourage all of you to get involved, ask questions, and have your say.



What will not change

Some things will not change for our district, regardless of the way we move forward:

- Water services and assets will continue to be owned by the Council, as the Local Water Done Well legislation prevents them being privatised
- Our drinking water will be safe
- The environment will be protected
- Our communities' needs will be met
- Work to adapt to climate change will continue.

What will change

To make sure our water services are strong and sustainable for the future, the Government has introduced new rules and strengthened some existing ones. No matter which option we choose for delivering water services, we must make sure we can:

- Meet legal requirements to keep drinking water safe and protect the environment
 - Manage our water services efficiently and effectively
 - Invest in maintaining and upgrading important infrastructure like pipes, pumps, and treatment plants, so they stay in good condition, and can manage risks like natural disasters and climate change, and plan for future growth.
- The Government will also be keeping an eye on prices and investment through a process called “economic regulation”. This is designed to protect customers by making sure that prices are fair, and that enough money is invested to provide safe, reliable water services.
- If councils choose to continue delivering water services themselves (instead of joining a new water organisation), there are extra requirements to make things more transparent. Councils must:
- Keep money for water services separate from other council funds (this is called “ring-fencing”) meaning money collected for water can only be used for water, similar to what we do now.
 - Prepare separate plans and public reports on how water services are managed and funded.

**Want to
find out
more?**

This consultation document has the key information you need, but you can find more information, including technical reports and Council reports, on waimatedc.govt.nz/yourwater



Local Water
Done Well

Waimate District Council - Consultation Document

We need to show the Government how we will deliver these changes

Like all councils across the country, we must prepare a Water Services Delivery Plan and submit it to the Government by 3 September 2025.

This plan must show:

- How we are currently delivering our water services
- How we will deliver water services into the future
- How water services will be financially sustainable by 2028, and ensure they would continue to be financially sustainable in the future
- Where and when we will invest over the next 10 years to meet the new rules and to keep services safe and reliable
- How we will meet future economic, health, and environmental regulations.

As we develop the plan, we will also make sure we:

- Meet community expectations for water services
- Honour our Treaty of Waitangi commitments
- Continue providing the other council services our communities rely on.

The Government has indicated they will report back on submitted Water Services Delivery Plans by December 2025 or early January 2026.

Why are we consulting?

We have choices about how we make these changes, and you have a chance to help shape those choices.

We have looked closely at the options the Government has provided to all councils, and we believe there are two options available to us that will work for our communities today and into the future.

Option 1 Internal water services unit

Keeping water services in-house and overseen by our Council, but with some changes to help us meet new Government requirements, including our own Water Services Unit. This is Council's preferred option.

Option 2 Three-council water services organisation

Joining with Mackenzie District Council and Timaru District Council to set up a new water organisation to manage our water services across three districts, based on what communities need and want.

Regardless of which option is chosen, water services will continue to be delivered, and water services and assets will continue to be owned by the Council or a group of councils. We are asking you to tell us which option you think will best serve our community in the long run.

This is your chance to help influence real change – tell us what you think.

Things to think about

All options would meet the new requirements

Any option would mean changes in the way we operate, to meet the new requirements from the Government.

The differences between the options come down to differences in how much direct control our Council will have over water services, and whether we will have access to efficiencies through economies of scale, a dedicated focus on water services, and alternative ways of financing water services.

We have the option to keep our water services local. Retaining accountability and responsibility for our own water services would allow us to remain more closely connected with the needs of our communities. A local understanding of our environment, our infrastructure, and our people helps to prioritise how services are delivered more efficiently. While we may not achieve the same level of assumed scale-related efficiencies as a joint organisation, we would maintain the flexibility to respond in a way that reflects our districts priorities, particularly in smaller and more rural areas. We believe our rural water supplies are unique in terms of operation and water use.

Bespoke tariff structures in the future will ensure equitable outcomes across the district.

A water organisation would not face higher borrowing costs than councils

Water services require big investments, which most councils fund through a combination of borrowing and rates.

As a council we can borrow relatively cheaply and affordably, through a special organisation known as the Local Government Funding Agency (LGFA). New water organisations would be able to access the LGFA too. However, there are some differences in how a council borrows and how a water organisation would borrow.

Councils have borrowing limits, based on rules set by the Local Government Funding Agency. One of the limits is expressed in terms of the ratio of a council's borrowing compared to its revenue. Our debt-to-revenue limit under the LGFA rules is 175%.

Water organisations are not like councils – they are more like utility companies (electricity lines companies, for example) in that they would borrow in a different way. More investment would be funded by debt rather than a combination of debt and water rates (which is how councils traditionally fund their investments). Debt means investment is paid back over a longer period, and by those who benefit from it. A water organisation would be able to borrow to much greater levels than councils, while still being financially healthy and sustainable. Guidance on this from the Local Government Funding Agency and the Department of Internal Affairs can be found on waimatedc.govt.nz/yourwater

Common terms used

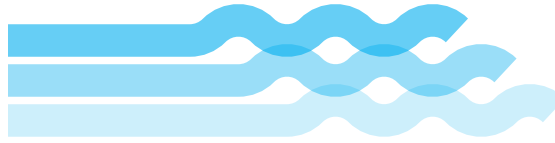


Term	Explanation
Affordable	Water services are affordable when people can pay for them without it being a big financial burden. This means keeping costs manageable now and in the future. Councils need to plan carefully to keep water services affordable, by making smart investments, avoiding waste, and spreading big costs over time (like by borrowing and paying it back gradually). New rules will help make sure that water providers keep prices fair and transparent, while still delivering safe and reliable services.
Borrowing	Obtaining loans to pay for infrastructure upgrades or new facilities, with repayment spread over time. Because water infrastructure (such as pipelines and treatment plants) is very expensive but long-lived, it is often funded through debt that is paid back over decades out of rates or user charges. New Zealand councils typically borrow through the Local Government Funding Agency (LGFA), which gives councils access to loans at lower interest rates. Responsible borrowing allows current and future users to share the costs of big projects, a principle often called “intergenerational equity”.
Drinking water/ potable water	Water that is safe to drink. Potable water has been treated or is naturally clean enough to meet drinking water standards. Our Council uses the term “potable water supply” to refer to the reticulated (piped) drinking water delivered to homes and businesses after treatment. Ensuring water is potable means treating the water to remove or kill harmful microbes and contaminants.
Drinking Water Standards	<p>The official standards that set safe limits for drinking water across New Zealand. Issued by Taumata Arowai under the Water Services Act 2021, these standards specify the maximum allowable levels of contaminants (like bacteria, nitrates, and heavy metals) in drinking water. All registered drinking water suppliers must ensure the water they provide meets these standards. The official standards also specify how suppliers can show they are meeting the standards.</p> <p>If water fails to meet a standard, suppliers must take action and notify the regulator and the public (for example, issuing a boil water notice).</p>

Term	Explanation
Economic regulation	<p>Oversight of the economic performance of water service providers to ensure they are efficient, financially prudent, and charging fair prices. Because water services are natural monopolies (consumers cannot choose another provider), an economic regulator steps in to protect consumers from unfair charges and poor service. New Zealand is setting up an economic regulation system for water that is modelled on the system used for electricity lines and gas pipelines.</p> <p>This will be administered by the Commerce Commission. Economic regulation will probably include controls or monitoring of water pricing, requirements for transparent accounting, and service quality measures. The goal is to make sure water providers invest adequately in infrastructure and operate efficiently, delivering safe and reliable services at the lowest feasible cost to ratepayers.</p>
Financial sustainability	<p>This means ensuring the water services can cover its costs now and in the future. A financially sustainable water service has enough income (from rates or user charges) to pay for day-to-day operations, for maintenance, and for replacing or upgrading long-term assets.</p>
Ring-fencing	<p>A financial practice where funds are reserved for a specific purpose and cannot be used for other purposes. With water services, “ring-fencing” means that revenue from water rates or charges must be used only for water-related costs and investments.</p> <p>Under the new economic regulation system for water, the Commerce Commission will monitor compliance with ring-fencing rules to guarantee that there is transparency and reinvestment in water infrastructure.</p>
Price harmonisation/non-harmonisation	<p>Price harmonisation means all customers served by a water services organisation would pay roughly the same rate for water services, regardless of which district they live in. Non-harmonisation means prices are different in each area, often reflecting the local cost of providing services.</p>

Term	Explanation
Privatisation	Privatisation refers to ownership being held privately, rather than publicly (for example, through Council). Under Local Water Done Well, the Government has committed that water services will remain in public ownership. Councils and water organisations will not be able to privatise water services. The Local Government (Water Services) Bill states that a water organisation must be owned by a council (or councils) and/or a consumer trust. Additionally, the Bill introduces a range of restrictions against privatisation. For example, it is proposed that a water service provider may not use water assets as security on a loan.
Stormwater	<p>Stormwater is rainfall run-off that is channelled through drains and pipes to prevent flooding. Stormwater picks up contaminants from roofs, roads, and land (like sediment, heavy metals, and oils) and often flows, untreated, into streams, rivers, or the ocean. Managing stormwater is part of the water services that councils provide.</p> <p>Good stormwater management includes networks of drains, culverts, and detention basins, as well as green infrastructure (like swales or wetlands) to slow and filter run-off. Unlike wastewater, stormwater is not usually treated, but stormwater systems must comply with environmental regulations to minimise pollution.</p>
Taumata Arowai	<p>A dedicated water services regulator, established by the Water Services Act 2021. Taumata Arowai took over the job of regulating drinking water from the Ministry of Health in late 2021, after some serious water safety failures (like the 2016 Havelock North outbreak). It sets and enforces the Drinking Water Standards and rules to ensure suppliers provide safe drinking water.</p> <p>Taumata Arowai also oversees environmental performance standards for wastewater and stormwater. In practice, this regulator monitors compliance (through audits and reporting), can issue directions or fines for breaches, and provides guidance to water suppliers.</p>
Wastewater	<p>Also known as sewage, this is used water that goes down drains from homes and businesses (from toilets, sinks, showers, and so on). Wastewater contains organic waste, microbes, and chemicals that must be treated before it is released back into the environment.</p> <p>Under Local Water Done Well, a single national standard for wastewater environmental performance is being introduced, so that all discharges would meet a consistent high standard across New Zealand.</p>

What are our
current **water**
services?



Council is
responsible
for delivering
three
essential
services:



Water supply

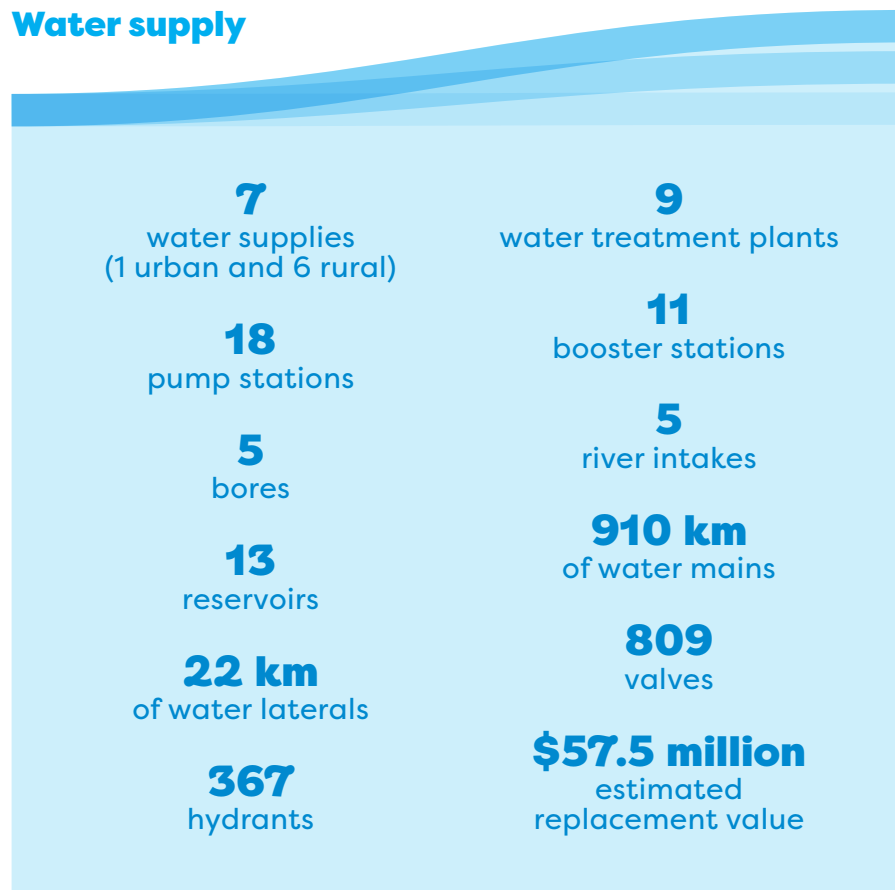


Wastewater



Stormwater

Water supply



We provide water to approximately 4,000 households, businesses, and properties throughout the Waimate District, and are responsible for ensuring the water supplied when you turn your tap on is safe and clean to use.

Potable water is provided to the urban and fringe rural areas of Waimate (approximately 3,000 residents) for drinking, cooking, and food preparation, as well as other purposes such as showering, laundry, watering the garden, commercial uses, and fire protection.

We operate six rural water schemes (Cannington-Motukaika, Lower Waihao, Otaio-Makikihi, Waihaorunga, Waikakahi, Hook-Waituna). In addition, the Hakataramea Valley and Cattle Creek (Upper Waihao) rural water schemes are administered and operated privately by an incorporated society.

The Downlands water scheme is operated and managed by the Timaru District Council and provides water to properties within the Waimate District including St Andrews. Waimate District Council has a 14% share in the scheme, and representation on the committee, but has no direct involvement apart from the collection of water rates on those properties which is then paid onto Timaru District Council as administrators.

This service is funded by targeted rates from properties that have access to water supply systems.

What about our rural communities?

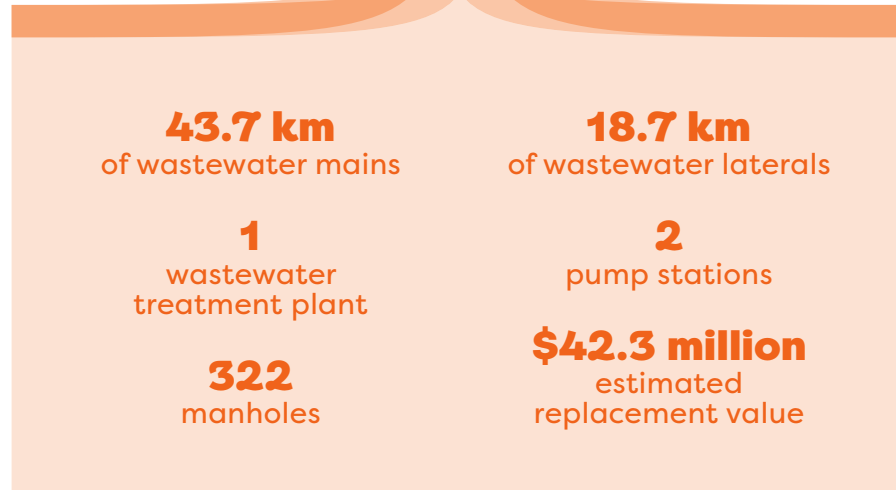
Rural water supply looks a little different. We have six rural water schemes, which are mainly for stock water and, in some cases, farmhouses and farm buildings use water from the schemes. Often rural properties have their own networks to move water within their properties.

Under option two, the assets and debt of rural water supplies could shift to a water organisation that we own part of. We would work to protect the interests of our rural communities if this option is pursued.



In 2023 the
Otaio water
supply was
crowned the best
tasting water in
New Zealand

Wastewater



We protect public health and the environment by providing a wastewater system that collects, treats, and disposes of liquid waste. This includes what is flushed down toilets, and 'greywater' from sinks, showers and washing machines.

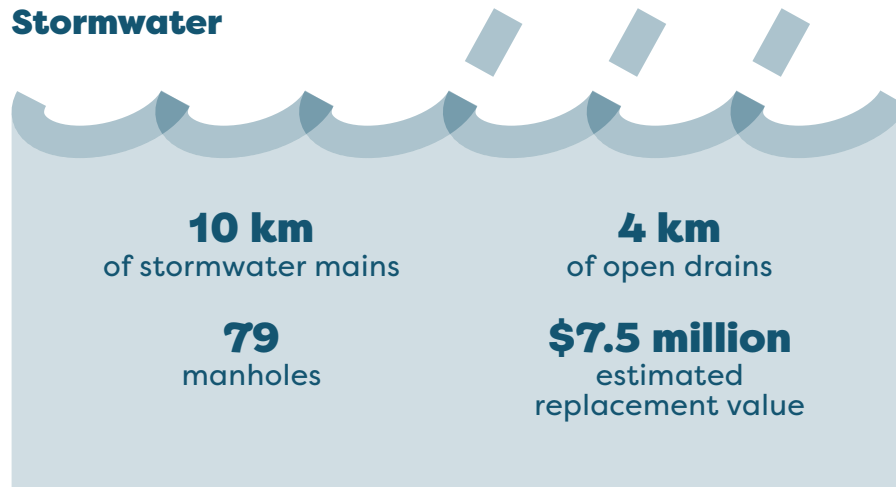
The Waimate urban network collects wastewater from approximately 1,900 serviced properties which includes residential, community and limited industrial/commercial customers.

We also hold a resource consent for the St Andrews wastewater discharges. These discharges are from a series of individual, privately owned septic tanks within a defined area. Council engages a disposal contractor to maintain each septic tank.

These services are funded by targeted rates from properties that have access to wastewater systems.



Stormwater



The stormwater network collects and removes surface water following rainfall events and is designed to protect people and prevent flooding of properties, roads, and erosion control.

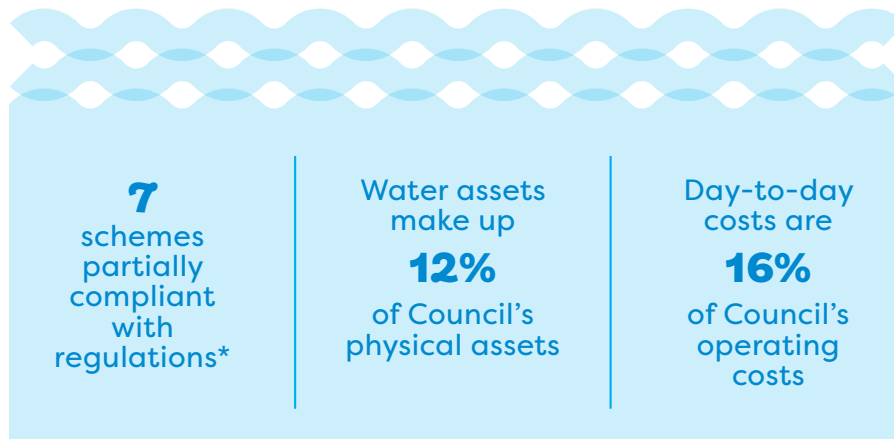
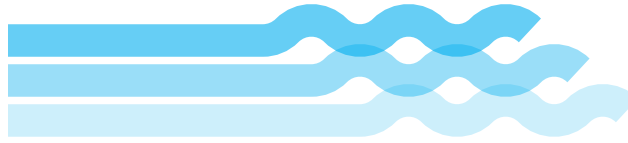
Council owns and operates stormwater systems in four community areas. There is one significant system servicing the

Waimate township and three very minor systems (kerb and channel and minor pipework) servicing St Andrews, Makikihi and Morven.

This service is funded by urban general rates.



Our **water** situation today



Urban water

The average urban ratepayer pays around \$1,298 for water services in 2024/25, broken down as follows:



* Four of the schemes require additional treatment processes, and this work is programmed for 2025/2026. The remaining three schemes (Waimate Urban, Lower Waihao, Otaio-Makikihi) require further reporting and measuring to become fully compliant with the Drinking Water Standards and Drinking Water Quality Assurance Rules and Monitoring requirements.

Rural water

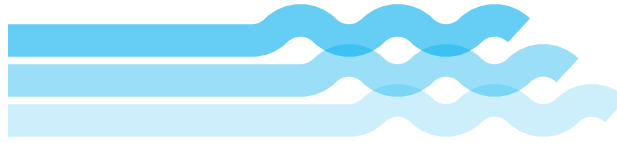
The rural water scheme users pay a targeted rate per litre of water allocated. The range of consumer allocations for the 2024/2025 year are as follows:

Zone	Cost per litre allocated/ consumed	Lowest charge	Litres per day total allocated**	Highest charge	Litres per day total allocated
Cannington-Motukaika	0.09 cents	\$297	909	\$13,636	41,727
Lower Waihao	0.14 cents	\$225	446	\$22,004	43,641
Otaio-Makikihi	0.11 cents	\$380	909	\$25,086	60,000
Waihaorunga	0.20 cents	\$1,313	1,818	\$41,827	57,908
Waikakahi	0.16 cents	\$286	500	\$28,314	49,500
Hook-Waituna	0.09 cents	\$293	909	\$16,236	50,454
Downlands	0.28 cents***	\$1,010	1,000	\$13,291	31,000
Waimate Urban	0.17 cents	\$630	1,000	-	-

** Minimum allocations now apply.

*** Downlands tariff structure allows for differing costs per litre based on Domestic Supply and/or number of service charges and units allocated. In the example, the Downlands cost per litre allocation/consumed is based on the Domestic charge.

Our future investment



The current Annual Plan 2024/2025 and the draft Long Term Plan 2025-2034 outlines our proposed investment in water services over a 10-year period.

You can read more detail on waimatedc.govt.nz/yourwater

Capital expenditure	Operational expenditure
We are planning to invest \$72.4 million on water projects over 10 years.	We plan to spend \$82.9 million on day-to-day operations and maintenance over 10 years.
Urban water \$10.2 million	Urban water \$11.3 million
Rural water \$16.2 million	Rural water \$22.9 million
Downlands \$3.6 million	Downlands \$3.1 million
Wastewater \$11.8 million	Wastewater \$6.8 million
Stormwater \$0.6 million	Stormwater \$1.5 million

Our major projects include:

\$6.7 million on drinking water compliance upgrades*	\$5.7 million on Waimate urban water mains renewals
\$3.6 million on rural water scheme renewals	\$3.2 million on Waimate urban water growth infrastructure
\$3.6 million on Downlands rural water renewals	\$0.5 million on stormwater improvements
\$2.4 million on Hook-Waituna water supply link	\$9.9 million on urban sewer renewals
\$1.1 million on Glenavy and Makikihi town water mains renewals	\$1.6 million on urban sewer extensions



* Waikakahi, Hook-Waituna, Cannington-Motukaika, Waihaorunga Rural Water Supplies programmed for compliance upgrades in 2025/2026.

We expect to be able to meet the new financial sustainability test for our water services, but like many councils across the country, we will face some longer-term challenges in meeting the new requirements:

We need to keep renewing our water infrastructure, as some of this will be coming to the end of its life in the next 15 to 30 years. Some of our treatment plants will shortly need to have their consents renewed, and new standards may mean we need to invest more. This could mean we need to make some bigger investments in the next few decades, and these will add up.

Climate change is putting pressure on our stormwater and wastewater networks – they need to be resilient against the

effects of climate change such as more frequent and severe weather events.

Tougher requirements for water services need to be met to protect health and the environment – this includes our responsibility to help community suppliers if they have significant problems, and to report more on how we are performing.

We must also make sure that water continues to be affordable for our communities, including for our large older population and those on fixed incomes.

As a Council we must also make sure we meet our Treaty commitments, and that changes to water services do not mean we stop providing other services such as parks, roads, rubbish, and recycling.

Can we meet the challenges ahead?

We know we can meet the Government's new requirements today, but the work we have done tells us we can expect costs to increase as we renew our infrastructure and meet other future challenges.

Moving to a joint water services organisation could give us efficiencies, both through economies of scale and through having an organisation focussed just on water. Those efficiencies would mean a greater ability to invest in our water services in the future, but they would take some time to realise, likely beyond the 10-year horizon.

To create a joint water organisation, we could work with some of our neighbours with whom we have some shared interests, as well as those interests that are unique to our district. If we join a new water organisation, we will need to be sure it meets the different needs of every district. Importantly, this would mean that water assets, and the debt that goes with them, would transfer to the new water organisation that we would own a part of. We also need to make sure that the shifting of responsibilities and revenue for water will not affect the other services we deliver, either now or in the future.

What are the options?



The Government has provided councils with five options for delivering water services in their districts. None of the options would result in privatising water services. Councils have been evaluating the options to work out which is best for their communities.

We have been looking closely at the options available to us over a number of months, including working with our neighbouring councils and seeking expert advice to help us think about which option could be best for our communities in the long-run. We think there are two viable options, both of which are expected to meet the Government's requirements.

Option 1 Internal water services unit

Water services would continue to be delivered through the Council, but with some changes to meet the Government's new requirements. We would set up an internal water services unit within the Council to help us meet these requirements.

Option 2 Three-council water services organisation

We would establish a new water organisation with Mackenzie District Council and Timaru District Council. The organisation would own, operate, and maintain water services for all the shareholding councils. We would own part of this organisation and provide it direction through a special "Statement of Expectations" developed jointly with the other councils, and which the water organisation would need to give effect to.

**We think
Option 1 would
best support our
community**

While we believe both options will satisfy the requirements of Local Water Done Well for financially sustainable water services, the option we consider will best meet the needs of our community into the future is Option 1.

Further information on the Options Assessment, undertaken by MartinJenkins, is available for viewing on waimatedc.govt.nz/yourwater

Other options considered

We also considered the option of establishing a consumer trust organisation, either partly owned by the Council and partly by a trust, or wholly owned by a trust. We decided these options weren't right for us as we would probably have to borrow money from banks, which would be more expensive than borrowing through the Local Government Funding Agency. Under these options, we would also have less control over critical decisions affecting water services compared with the other options.

We also looked at setting up a water services organisation on our own. This would work the same way as a multi-council water services organisation except we would be the only shareholding council. We decided against this option because we would be unlikely to see enough benefits to outweigh the additional running costs.



OPTION 1 Internal **water** services unit

Keeping water services in-house
and overseen by our Council

**Preferred
option**

Average cost per connection

Current year

\$1,325
2025 for Urban
customers



\$1,875
2025 for Rural
customers



\$1,825
2025 average
(Urban and Rural)



Nine years later

\$1,475
2034 for Urban
customers

\$2,150
2034 for Rural
customers

\$2,075
2034 average
(Urban and Rural)

This is what ratepayers could expect to pay on average for water (water supply, stormwater, wastewater) under the proposed option. The 2034 figures are represented in real dollars, which means no inflation has been applied, and are non-harmonised

Internal Water Services Unit

Waimate District Council

→ **Appoints** Waters Services Committee

Responsible for water services, with full decision-making rights

Water Services Committee/
Advisory Group

→ **Independent** chairperson and experts with technical expertise, alongside elected member representatives

Water service delivery unit

→ **Responsible** for water services delivery, including strategy

Under this option, we would continue to manage and deliver water services on our own, without partnering with other councils. We would be fully responsible for all day-to-day operations, maintenance, planning for future water needs, and repaying any water-related debt.

Our mixed-use rural water schemes operate very differently to conventional urban schemes and require both specialist operational and technical knowledge. The appointment of independent experts to the Water Services Committee will ensure these needs are met.

To help meet new government requirements, we would set up a dedicated water services delivery unit within the Council.

We could share certain services with neighbouring councils or contract some operations to an external water services organisation. However, that may not provide the same cost savings as being part of a joint water services organisation.

We consider this the best option for the 10-year period, however, this may not be the long-term case, after which the community may need to revisit its future options to join with another water services organisation (or not).

Council will need to work closely with Timaru District Council and Mackenzie District Council in relation to the operation of the Downlands Rural Water Supply for inclusion in the Water Services Delivery Plan.

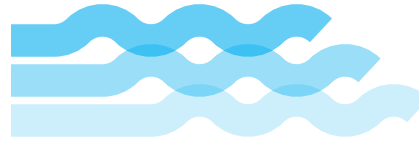
Key advantages

- **Local decision-making:** Our Council, which is familiar with local conditions, would decide on services and investments.
- **Seamless integration:** Water services can be easily coordinated with our other responsibilities (such as district planning and roading).
- **Community accountability:** Communication with our community would continue to be straightforward, with us engaging directly with residents on water issues.
- **Familiar structure:** Day-to-day operations would continue largely as they are now, which can help minimise transition costs and confusion.
- **Continuity for rural supplies:** Continues existing management and operating arrangements for rural water schemes.
- **Opportunity to share services:** We could share services with neighbouring water organisations to try to reduce costs or contract a water organisation to deliver services.
- **Opportunity to review pricing structure:** We could look to review the current pricing structure and explore better ways to share costs among our urban and rural customers. An option is to look at a combination of set charges and other charges based on water use that suit our customer base to ensure affordability is managed.
- **Local knowledge:** We would have control over how the unit is resourced, with more likelihood of retaining skilled staff with local knowledge.




Key disadvantages

- **Longer-term challenges need to be funded:** We would need to fund major water infrastructure investment over the next 15 to 30 years, and those costs are likely to become more expensive over time. This could require substantial borrowing and limit our ability to invest in other important areas like roads, parks, and recreation.
- **Increasing requirements:** We would need to meet tougher Government regulations on our own, and this could lead to higher rates or more borrowing.
- **Limited opportunity for efficiencies:** We would not benefit from economies of scale that might come from partnering with other councils, potentially increasing our long-term operating costs.
- **Competition for staff and contractors** with larger water organisations which may be more attractive.

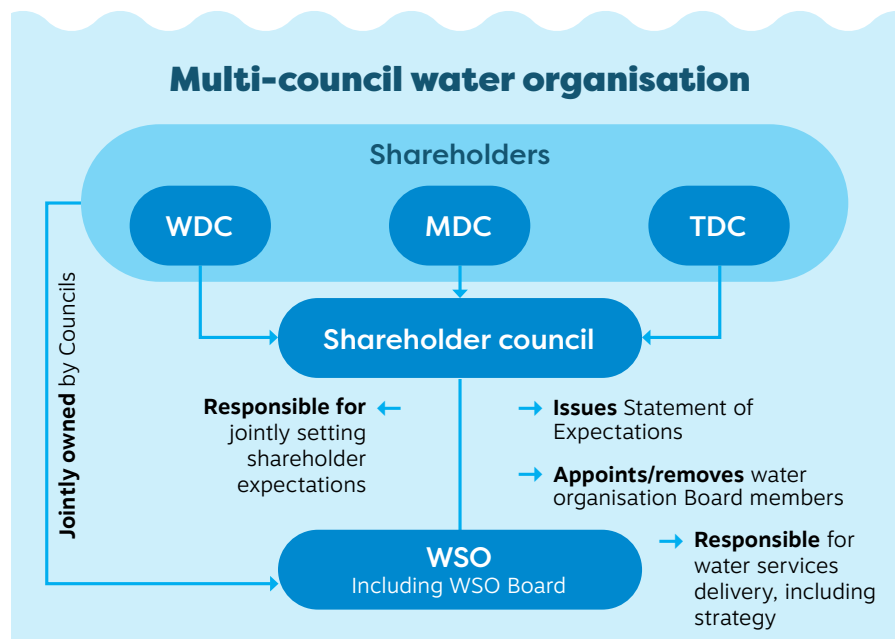
OPTION 2 Three-council **water** services organisation

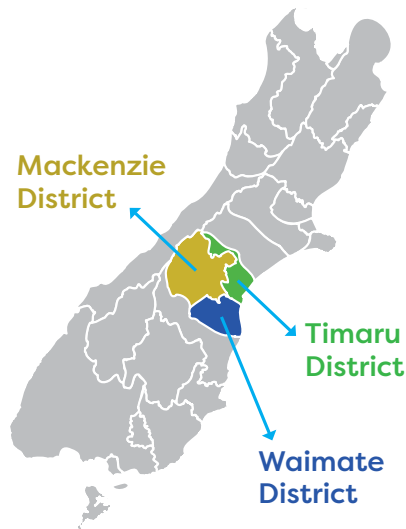


Joining a new water services organisation with
Mackenzie District Council and Timaru District Council

Current year		Nine years later
\$1,325 2025 for Urban customers		\$1,575 2034 for Urban customers
\$1,875 2025 for Rural customers		\$2,300 2034 for Rural customers
\$1,825 2025 average (Urban and Rural)		\$2,225 2034 average (Urban and Rural)

This is what ratepayers could expect to pay on average for water (water supply, stormwater, wastewater) under the proposed option. The 2034 figures are represented in real dollars, which means no inflation has been applied, and are non-harmonised.





This option would see our Council, Mackenzie District Council and Timaru District Council form a new water services organisation. This organisation would manage water services across all participating areas and take on each council's water-related assets and debt.

A professional board of directors, appointed by the councils, would govern the organisation, and appoint a chief executive, who would run the organisation on a day-to-day basis.

While we and the other shareholding councils could guide the board and continue to make some key decisions, we would not control every aspect of the organisation's work.

Running water services and investing in the infrastructure would become the responsibility of the water services organisation, similar to how electricity line companies work.

Over time, we expect this new organisation would bill customers directly for its services, but in the meantime, we expect that councils would continue to collect water revenues through rates bills.

How would we have a say in a joint water organisation?

If we do decide to join up with others, we will still get to make some decisions about how water services are delivered. There are ways for us to monitor and direct the organisation to make sure that your water services are being delivered well and that our district's needs are being met. This would include:

- Appointing the board of directors, jointly with the other councils, so we can make sure the board has the skills and experience we collectively want.
- Jointly issuing a Statement of Expectations to set priorities for the organisation and specify how progress against them would be measured. This Statement would guide the organisation's decisions and actions, and the organisation would need to give effect to the Statement and report against it.
- Requiring regular reporting from the water services organisation on how it is performing, including through an annual report on progress, service standards, and financial performance.
- Negotiating a number of additional protections to include in the organisation's constitution, such as consulting with our community.

Water services organisations have different financing arrangements

Like councils, new water services organisations will be able to borrow from the Local Government Funding Agency (LGFA) at similar interest rates to councils. However, unlike councils, the LGFA will allow a water services organisation to borrow more to spread the costs of investment in long-lasting water infrastructure over a longer period. This helps ensure that those who benefit from the investment help to pay for it.

Under the proposed financing arrangements, the Council would still bear some residual risk as it will act as a guarantor of the water services organisation. However, the LGFA will limit the borrowing a water services organisation can do so we can be confident the organisation can service its debt repayment obligations. The LGFA and the Department of Internal Affairs have published further information about proposed financing arrangements for water services organisations, which can be found on waimatedc.govt.nz/yourwater

Key advantages

- **Specialist oversight:** A professional, expert board can make informed decisions and respond quickly to changing needs.
- **Greater capacity:** A larger combined organisation can hire more specialised staff and manage assets and new projects more effectively.
- **Delivering our investment plans:** The organisation would probably adopt the Council's current investment plans, which have been independently reviewed. These plans may need further investment over the next 10 to 30 years.
- **Long-term savings:** By combining resources (such as maintenance services) across multiple councils, the organisation can drive down costs over time.
- **Efficient borrowing:** The water organisation can borrow at similar rates to councils but takes a different borrowing approach that makes it easier to invest in infrastructure and maintain quality standards affordably.
- **More financial flexibility for the Council:** With water debt removed from its books, the Council can redirect its financial capacity to other priorities as needed and retain debt headroom for unanticipated emergency expenditure.

Key disadvantages

- **Less local control:** We would share decision-making and control with other councils. The decision-making may feel distant for residents in smaller communities.
- **Transition challenges:** Establishing the new water organisation is a big task, and coordinating the transition of water services, staff, and debt could be complicated. We would also need to manage any impact on the Council's other activities (like planning or customer services).
- **Stranded costs:** Some costs that are currently shared with water services may not be able to be transferred to the organisation, meaning the Council could be left with some ongoing obligations.
- **Risk of loss of expertise in rural water supplies:** The Council operates six rural water schemes, which have unique requirements and serve a mix of uses. This specialist expertise could be lost if responsibility for water services is transferred to a larger organisation with a greater focus on urban areas.
- **Risk of the Council being less effective:** There is a risk that the transfer of water services staff and assets could weaken the Council's ability to function effectively.

Impacts on other communities

Other councils mentioned in this document are also consulting their communities on this option, and we have agreed to take a consistent approach to how we are presenting this option.

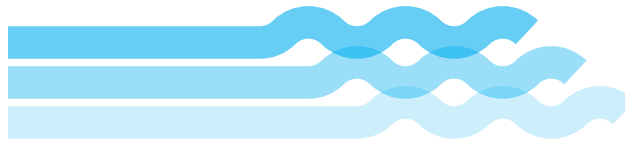
We encourage you to also read their consultation documents when considering which option to support in your submission.

You can access their consultation materials here:

- **Mackenzie District Council:** mackenzie.govt.nz
- **Timaru District Council:** timaru.govt.nz

Ultimately, it will be up to each council to make up its own mind about its future service delivery arrangements, following consultation with its communities.

Comparing the two models



The two delivery models have been assessed against an agreed set of decision criteria to compare how they will align with the needs of our community and regulatory requirements.

Value for money

Criteria	Internal water services unit	Three-council water services organisation
Financial sustainability Meets the requirements of LWDW financial sustainability	<ul style="list-style-type: none"> → Expected to meet LWDW financial sustainability requirements. → Council expected to remain within existing LGFA covenants. 	<ul style="list-style-type: none"> → Expected to meet LWDW financial sustainability requirements. → Greater access to debt to meet future challenges. → WSO efficiencies and costs shared across participating councils.
Consumer affordability Affordable, fit for purpose services, that meet the needs and expectations of consumers and communities	<ul style="list-style-type: none"> → Water revenues per connection expected to increase to 1.85% (FY34) of median household income. Rural connections have a higher cost, but the metric is less relevant due to the nature of consumption. → Affordability is greatest under the in-house delivery model. 	<ul style="list-style-type: none"> → By FY34 this option is around \$150 more expensive. It is anticipated that operating and capital efficiencies occur outside of the 10-year period.
Ratepayer value for money Revenue collected from ratepayers is used wisely and delivers good value for money	<ul style="list-style-type: none"> → Increased cost transparency (ring-fencing) may result in overhead efficiencies, but likely to be small. → Benefits yielded would be enduring, but potentially less than other options. 	<ul style="list-style-type: none"> → Benefits would be durable and expected to be greatest under this option but will take time to realise. → Scale and management benefits expected to result in efficiencies. → Benefits likely to be realised over the medium- to long-term, with likelihood of higher costs in short-term.

Service delivery

Criteria	Internal water services unit	Three-council water services organisation
Infrastructure and delivery Coordination with wider district and infrastructure planning processes to ensure effective and efficient delivery of water and other services	<ul style="list-style-type: none"> → Retains existing interface between spatial and water infrastructure planning. → Minimal opportunity for service improvements from consolidating operations, information systems, and maintenance. → Potential scarce local resources for similar skills – competition between any regional WSO. 	<ul style="list-style-type: none"> → Requires collaboration between councils to plan for and fund investment requirements (including for compliance, resilience, and growth) equitably across councils. → Opportunity for service improvements from consolidating operations, information systems, and maintenance. → More likely to attract skilled workers due to greater specialisation and better career paths.
Resilience Water services are resilient to natural hazards and climate change	<ul style="list-style-type: none"> → Resilience related investments and reactive infrastructure upgrades may face affordability challenges. 	<ul style="list-style-type: none"> → Greater debt capacity may make it possible to enhance investment in climate resilience.
Rural Planning and decision-making reflects rural needs	<ul style="list-style-type: none"> → Council can determine rural water supply policy, charging and engage directly with rural users. 	<ul style="list-style-type: none"> → Council would have limited ability to determine rural water supply policy and charging, and limited engagement with rural water users. → Risk of loss of experience and expertise in rural water services

Achievability

Criteria	Internal water services unit	Three-council water services organisation
Council capacity and capability Council has capacity and capability to implement changes and transition to new delivery model	<ul style="list-style-type: none"> → Least amount of change required to internal systems processes and policies. → Least amount of change required to establish potential new operating model. → May be risks to attraction and retention of staff due to increased competition. 	<ul style="list-style-type: none"> → Significant amount of change required to adapt and merge Council systems, processes, and policies for a new entity. → Large effort required to establish new entity, governance structure and operating model. → Limited capacity of internal resources to contribute to cross-council establishment. → Limited availability of locally based potential WSO directors.
Viability of remaining Council services Remaining Council operations are viable and able to deliver on communities' expectations	<ul style="list-style-type: none"> → Minimal change in Council functions for water and non-water functions. 	<ul style="list-style-type: none"> → Small risk that Council cannot efficiently and effectively deliver non-water Council services.
Shared services alignment Supports council to enter into any potential shared services or regional initiatives	<ul style="list-style-type: none"> → Provides flexibility and enables Council to participate in provision of shared services with other councils. 	<ul style="list-style-type: none"> → Provides a precedent/ experience in councils working together to support establishment of further shared services.

Community

Criteria	Internal water services unit	Three-council water services organisation
Community voice Strength of mechanisms for local voice and influence, for example, customer engagement regarding service levels, investment, and prices	<ul style="list-style-type: none"> → Primary relationship of the internal business unit is Council. → Council continues to engage ratepayers through variety of channels. 	<ul style="list-style-type: none"> → Primary relationship of the WSO is its customers, not Council. → Council retains ability to direct WSO through binding Statement of Expectations (albeit shared with other councils).
Iwi engagement Strength of mechanisms for engaging with hapū and iwi to ensure meaningful participation in water services decision-making and delivery	<ul style="list-style-type: none"> → Ability to make use of existing relationships and channels for iwi engagement and partnership. 	<ul style="list-style-type: none"> → Potential to build on existing relationships and channels for engagement but WSO adds complexity to relationships.
Governance Strength of governance and decision-making results in the best decisions being made for local communities	<ul style="list-style-type: none"> → Provides the strongest direct relationship between service delivery, Council and community, including engagement and consultation on water services strategy. → Commercial oversight could be strengthened through an independent chairperson and members on Council oversight committee. 	<ul style="list-style-type: none"> → Potential for strengthened governance driven by commercial practices (independent Board). → Council role in decision making is less direct and shared with other councils. → Potential for prioritisation of investment and operational resources towards needs of other councils.

Timeline

Thursday 15 May

Community consultation begins

Monday 16 June

Consultation closes at 12pm

Monday 30 June

Hearings held for submitters who wish to speak to their feedback

Tuesday 1 July

Council to consider feedback and decide on a water service delivery model

July to August

Preparation of a Water Services Delivery Plan

3 September

Council submits Water Services Delivery Plan to Government

2026 onwards

Implementation of the water services delivery model

Have your say!

You have until 12pm on Monday 16 June to have your say

Make a submission

You can make a submission in two easy ways:

- 1. Online:** complete your submission on waimatedc.govt.nz/yourwater

If you do not have access to a computer you can drop into the Waimate District Library where we have a computer set up to help you make your submission.

- 2. Fill out the attached submission form:**

Email: Scan and email your submission form to submission@waimatedc.govt.nz ('Your Water Submission' in subject field)

Post: Your Water Submission
Waimate District Council
PO Box 122
Waimate 7960

Deliver to: Council reception
125 Queen Street, Waimate

Additional forms are available from the Waimate District Library, Waimate Event Centre, Council reception, Glenavy Store, and St Andrews Dairy.

Community chat sessions

Let's chat

Drop in within the set times, ask a question and join in the discussion.

Waimate Community Market
Saturday 17 May, 9:30am to 12pm

St Andrews Hall
Tuesday 20 May, 7pm to 8pm

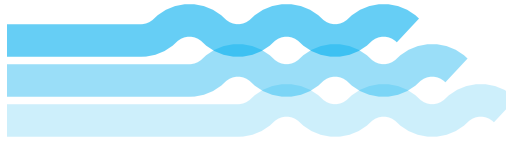
Glenavy Public Hall
Thursday 22 May, 7pm to 8pm

Maungati Hall
Tuesday 27 May, 7pm to 8pm

Waimate Event Centre
Wednesday 28 May,
12pm to 2pm and 7pm to 8pm

Arno Hall
Wednesday 4 June, 7pm to 8pm

Submission Form OUR FUTURE WATER SERVICES



To read the consultation document visit waimatedc.govt.nz/yourwater
Submissions close at 12pm on Monday 16 June

Personal details

First name _____ Last name _____

Organisation _____

Postal address _____

Home phone _____ Mobile _____

Email _____

Speak to your submission

Do you wish to speak in support of your submission
at a Council hearing on Monday 30 June 2025?

☐ Yes ☐ No

If yes, please ensure your email address and daytime phone number is included above
so we can contact you to arrange a suitable time.

Your feedback

**1. Please choose the water service delivery model that you
support (select one option only).**

☐ **Option 1: Internal water services unit**

Keeping water services in-house and overseen by our Council

☐ **Option 2: Three-council water services organisation**

Joining with Mackenzie District Council and Timaru District Council to set up a new
water organisation

2. Please tell us why you support this option.

3. We would like to know which factors were the most important for you when you chose your preferred option.

Please rank the following factors by **putting a number, 1 to 4**, in the box next to each factor, with 1 being the most important and 4 the least important.



Affordability

Ensuring water services are delivered safely and sustainably, while managing prices charged to customers.



Community influence

Your ability to shape decisions about water services.



Cultural input

Input from hapū and iwi into water decisions.



Access to finance

More access to financing for water services and other Council activities

4. Do you have any other feedback about the future of our water services?

Need more room? You can add extra pages if there's not enough space on this form.

Privacy Statement

All submissions, including your name and organisation (if applicable) but excluding your contact details, will be provided in full to elected members and made available publicly. Your contact details will be used for administration of the consultation process, including informing you of the outcome of the consultation. All information collected will be held by Waimate District Council. You have the right to access and correct your personal information.





125 Queen Street, Waimate 7924
PO Box 122, Waimate 7960

Phone: 03 689 0000
E-mail: council@waimatedc.govt.nz
Web: waimatedc.govt.nz

